GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Eduru Chenchu Ramaiah, Nellore against the Award passed in Dispute No.207/2017 dated 14.05.2019 by the Deputy Registrar of Chits, SPSR Nellore – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 926 Dated: 04-09-2019

Read the following:-

1. Appeal Petition filed by Sri Eduru Chenchu Ramaiah, SPSR Nellore, dated 15.07.2019.
2. Govt. Letter No. REVSOACTS(CHIT)/23/2019, Dated:19.08.2019.

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ORDER:-

Sri Eduru Chenchu Ramaiah, SPSR Nellore has filed an Appeal Petition before the Government under Section 70 of the Chit Fund Act, 1982 against the Award in Dispute No.207/2017 dated 14.05.2019 passed by the Deputy Registrar of Chits, SPSR Nellore.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit No:PZL-06 and allotted Ticket No.03 worth of Rs.10,00,000/- at the rate of Rs.20,000/-per month for 50 months. Sri Eduru Chenchu Ramaiah participated in the bid auction on 24.12.2014 and became successful bidder having agreed to forego Rs.4,00,000/- and the Opponent No.1 furnished guarantors who executed an agreement of Guarantee in favour of the disputant company agreeing to a guarantee the due payment of the amounts due to the company by the 1st opponent. The company has paid the prize amount of Rs.6,00,000/- to the appellant on 12.02.2015. Sri Eduru Chenchu Ramaiah has paid (17) installments in full and part of 18th instalment and thereafter committed default in paying the installments onwards. Inspite of repeated demands made by the disputant company, the opponents failed to pay the dues. The disputant company to demand future subscriptions by written notice to pay the sum of Rs. 6,53,640/- under section 33 of the Chit Funds Act,1982 issued on 27.06.2017. The Disputed Company filed a dispute application before the Deputy Registrar of Chits, SPSR Nellore and the same was numbered as Dispute No.207/2017. The Deputy Registrar of Chits, Nellore sent notices to 1-4 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits, SPSR Nellore. The appellant herein and another were served with notices, no representation. The Deputy Registrar of Chits, SPSR Nellore passed award in Dispute No.207/2017, dated:14.05.2019 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs. 7,71,372/-(Rupees seven lakhs seventy one thousand three hundred and seventy two only) from opponents 1 to 4 together with interest at the rate of 12% per annum on the principal amount of Rs.6,53,640/- from the date of filing of the Dispute till the date of realization and also Rs.37,173/- towards costs of the dispute.

3. The case is posted for hearing on 03.09.2019 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

4. Government after careful examination of the material available on record, allowed the appeal and the order passed by the Deputy Registrar of Chits, SPSR

[P.T.O.]

Nellore is hereby modified. The appellants herein who are the Opponents No.1 to 4, in Dispute No. 207/2017, dated: 14.05.2019 on the file of Deputy Registrar of Chits, SPSR Nellore are hereby directed to pay the Award amount of Rs.7,12,506/- /-(Rupees seven lakhs twelve thousand five hundred and six only) (after waiving of 50% interest i.e., Rs.58,866/-) along with Rs. 37,173/- towards costs of the dispute as mutually agreed by both the parties within 4 months i.e., by 04.01.2020. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in Dispute No. 207/2017 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Nellore in Dispute No. 207/2017 after 04.01.2020 from the opponents.

5. In exercise of the powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, SPSR Nellore.
2. M/s Shriram Chit Pvt., Ltd., Nellore through the Dy.Registrar of chits, SPSR Nellore.
3. Sri Eduru Chenchu Ramaiah, S/o Adiseshaiah, Teacher, D.No. 16-9-118, Mutyalapalem, Ramalingapuram, SPSR Nellore through the Dy.Registrar of Chits, SPSR Nellore.
4. Sri Thummathati Chiti Babu, S/o Venkatesu, Teacher, ZPPH School, Pigilam Village, Balayapalli Mandal, SPSR Nellore District through the Dy.Registrar of Chits, SPSR Nellore.
5. Sri Chitteti Ramesh, S/o Venkata Subbaiah, Teacher, MPP School, BGK Pallem, Chittamur Mandal SPSR Nellore through the Dy.Registrar of chits, SPSR Nellore.
6. Smt Boddu Prasanna, W/o Nagendra, Teacher, MPP School, D.No. 20-557, Koneti Mita, Near Dharmarajaswamy Temple, Mulapet, SPSR Nellore through the Dy. Registrar of Chits, SPSR Nellore.

Copy to:

7. The Commissioner & Inspector General, R&S, A.P., Vijayawada.
8. The P.S. to Spl. C.S. to Govt., Revenue (Regn) Dept.

//FORWARDED:BYORDER//

SECTION OFFICER